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By: **Delegates Wood, Elmore, McKee, Glassman, Amedori, Bartlett, Bohanan, Boutin, Bozman, Cane, G. Clagett, Conway, Donoghue, Eckardt, Edwards, Elliott, Haddaway, Hennessy, Hogan, James, Jameson, Kelly, Krebs, McComas, McConkey, Mitchell, Myers, O'Donnell, Owings, Parrott, Proctor, Rudolph, Shank, Smigiel, Sophocleus, Sossi, Stocksdale, Stull, Vallario, Walkup and Weldon**

Introduced and read first time: February 13, 2004

Assigned to: Environmental Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Rural Maryland Prosperity Investment - Agricultural and Resource-Based**  
3 **Industry Development**

4 FOR the purpose of establishing the Rural Maryland Prosperity Investment Program  
5 for certain purposes; directing certain departments to include certain funding in  
6 certain budget requests for certain fiscal years; providing for the allocation and  
7 application of certain funds; providing for the alteration of certain baseline  
8 budgets under certain circumstances; establishing the Maryland Agricultural  
9 and Resource-Based Industry Development Corporation for certain purposes;  
10 establishing the membership, terms, and duties of the board of directors of the  
11 corporation; providing for the staffing of and assistance to the corporation;  
12 establishing the powers and duties of the corporation; authorizing the  
13 corporation to acquire and dispose of certain property, to finance certain  
14 projects, to issue, redeem, and secure certain bonds and debt, including revenue  
15 bonds and refunding bonds; authorizing the corporation to make certain loans,  
16 insure certain assets and matters, establish and collect certain charges, and  
17 establish and pay certain interest; authorizing certain lending institutions and  
18 other persons to take certain actions concerning the corporation; establishing  
19 the conditions under which the corporation may issue and redeem certain debt;  
20 providing that neither the State nor any political subdivision other than the  
21 corporation shall be obliged to pay a bond or interest of the corporation except  
22 from revenues pledged on the bond; providing that neither the full faith and  
23 credit nor the taxing power of the State or any political subdivision of the State  
24 is pledged to the payment of the principal or interest of bonds of the corporation;  
25 authorizing the Treasurer to advance certain funds to the corporation, to be  
26 repaid in a certain manner; providing that the books and records of the  
27 corporation are subject to audit; providing for certain exemptions from certain  
28 State laws for the corporation; providing that the corporation and certain  
29 persons are subject to certain laws; providing for certain funding for the  
30 corporation; providing that the debts, claims, obligations, and liabilities of the

1 corporation are of the corporation only, and not of the State or any other unit,  
2 instrumentality, officer, or employee of the State; defining certain terms; stating  
3 certain findings of the General Assembly; requiring certain reports about the  
4 Program and the Corporation to certain persons on certain dates; altering the  
5 termination date of the Smart Growth Economic Development Infrastructure  
6 Fund; providing for the termination of a portion of this Act; making the  
7 provisions of this Act severable; and generally relating to investments in rural  
8 areas of Maryland and in agricultural and resource-based industry  
9 development.

10 BY adding to

11 Article 41 - Governor - Executive and Administrative Departments  
12 Section 13-501 through 13-506, inclusive, to be under the new subtitle "Subtitle  
13 5. Rural Maryland Prosperity Investment Program"; and 13-601 through  
14 13-616, inclusive, to be under the new subtitle "Subtitle 6. Maryland  
15 Agricultural and Resource-Based Industry Development Corporation"  
16 Annotated Code of Maryland  
17 (2003 Replacement Volume)

18 BY repealing and reenacting, with amendments,

19 Chapter 304 of the Acts of the General Assembly of 1999  
20 Section 3

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
22 MARYLAND, That the Laws of Maryland read as follows:

23 **Article 41 - Governor - Executive and Administrative Departments**

24 **SUBTITLE 5. RURAL MARYLAND PROSPERITY INVESTMENT PROGRAM.**

25 13-501.

26 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
27 INDICATED.

28 (B) "AGRICULTURE" MEANS THE COMMERCIAL PRODUCTION, STORAGE,  
29 PROCESSING, MARKETING, DISTRIBUTION, OR EXPORT OF AN AGRONOMIC,  
30 AQUACULTURAL, EQUINE, FLORICULTURAL, HORTICULTURAL, ORNAMENTAL,  
31 SILVICULTURAL, OR VITICULTURAL CROP, INCLUDING:

- 32 (1) FARM PRODUCTS;
- 33 (2) LIVESTOCK AND LIVESTOCK PRODUCTS;
- 34 (3) POULTRY AND POULTRY PRODUCTS;
- 35 (4) MILK AND DAIRY PRODUCTS;
- 36 (5) TIMBER AND FOREST PRODUCTS;

1 (6) FRUIT AND HORTICULTURAL PRODUCTS; AND

2 (7) SEAFOOD AND AQUACULTURAL PRODUCTS.

3 (C) "AGRICULTURAL AREA" MEANS ANY AREA IN THE STATE WHERE  
4 AGRICULTURE OCCURS.

5 (D) "RURAL AREA" MEANS ALLEGANY, CALVERT, CAROLINE, CARROLL, CECIL,  
6 CHARLES, DORCHESTER, FREDERICK, GARRETT, HARFORD, KENT, QUEEN ANNE'S, ST.  
7 MARY'S, SOMERSET, TALBOT, WASHINGTON, WICOMICO, AND WORCESTER COUNTIES.

8 (E) (1) "RURAL COMMUNITY" MEANS AN INCORPORATED OR  
9 UNINCORPORATED AREA OF A COUNTY OR GROUP OF COUNTIES IN A RURAL AREA.

10 (2) "RURAL COMMUNITY" INCLUDES A COUNTY OR MUNICIPAL  
11 CORPORATION IN A RURAL AREA.

12 (F) "PROGRAM" MEANS THE RURAL MARYLAND PROSPERITY INVESTMENT  
13 PROGRAM UNDER THIS SUBTITLE.

14 13-502.

15 THE GENERAL ASSEMBLY FINDS THAT:

16 (1) MANY RURAL COMMUNITIES IN THE STATE ARE FACING A HOST OF  
17 DIFFICULT CHALLENGES RELATING TO PERSISTENT UNEMPLOYMENT AND  
18 POVERTY, CHANGING TECHNOLOGICAL AND ECONOMIC CONDITIONS, AN AGING  
19 POPULATION AND AN OUT-MIGRATION OF YOUTH, INADEQUATE ACCESS TO  
20 QUALITY HOUSING, HEALTH CARE AND OTHER SERVICES, AND DETERIORATING OR  
21 INADEQUATE TRANSPORTATION, COMMUNICATIONS, SANITATION, AND ECONOMIC  
22 DEVELOPMENT INFRASTRUCTURE;

23 (2) THE STATE'S AGRICULTURAL AND RESOURCE-BASED INDUSTRIES  
24 CONTINUE TO UNDERPIN THE LOCAL ECONOMIES OF RURAL COMMUNITIES, BUT  
25 ARE INCREASINGLY UNDER THREAT FROM NATIONAL AND INTERNATIONAL MARKET  
26 COMPETITION, URBAN ENCROACHMENT AND LAND DEVELOPMENT PRESSURE,  
27 ENVIRONMENTAL AND REGULATORY INFLUENCES, AND LACK OF ACCESS TO CREDIT  
28 AND CAPITAL FOR NEW ENTERPRISE DEVELOPMENT;

29 (3) LOCAL GOVERNMENTS, REGIONAL ORGANIZATIONS, EDUCATIONAL  
30 INSTITUTIONS, AND PRIVATE SECTOR SERVICE PROVIDERS HAVE BEEN UNABLE TO  
31 MEET ALL THE ECONOMIC DEVELOPMENT, COMMUNITY DEVELOPMENT, AND  
32 HUMAN SERVICES NEEDS OF MARYLAND CITIZENS RESIDING IN THE RURAL  
33 COUNTIES AND MUNICIPAL CORPORATIONS BECAUSE OF A LACK OF ADEQUATE  
34 AVAILABLE CAPACITY AND RESOURCES;

35 (4) (I) THE OBJECTIVE OF THE RURAL MARYLAND PROSPERITY  
36 INVESTMENT PROGRAM IS TO RAISE THE OVERALL STANDARD OF LIVING IN RURAL  
37 AREAS BY THE YEAR 2020 TO A LEVEL THAT MEETS OR EXCEEDS STATEWIDE

1 BENCHMARK AVERAGES, WHILE AT THE SAME TIME PRESERVING THE BEST ASPECTS  
2 OF A PASTORAL HERITAGE AND RURAL WAY OF LIFE;

3 (II) THE PROGRAM, WHEN IMPLEMENTED, WILL MAKE  
4 SIGNIFICANT TARGETED INVESTMENTS IN IMPORTANT ECONOMIC AND COMMUNITY  
5 DEVELOPMENT PROGRAMS AND IN KEY RURAL INDUSTRY SECTORS; AND

6 (III) THESE TIMELY INVESTMENTS SHOULD ALSO ENABLE LOCAL  
7 AND REGIONAL PUBLIC AND NOT-FOR-PROFIT ORGANIZATIONS TO LEVERAGE  
8 ADDITIONAL NONSTATE FINANCIAL AND HUMAN RESOURCES TO FACILITATE THE  
9 REALIZATION OF SUSTAINABLE RURAL DEVELOPMENT OBJECTIVES WHILE THE  
10 PROGRAM IS IN EFFECT; AND

11 (5) THE PROGRAM WILL SERVE THE INTERESTS OF THE ENTIRE STATE  
12 BY:

13 (I) ENCOURAGING THE INCREASE OF BUSINESS ACTIVITY AND  
14 COMMERCE AND A BALANCED ECONOMY IN THE STATE;

15 (II) ASSISTING IN THE RETENTION OF EXISTING BUSINESS  
16 ACTIVITY AND COMMERCE AND IN THE ATTRACTION OF NEW BUSINESS ACTIVITY  
17 ACROSS THE STATE;

18 (III) RELIEVING CONDITIONS OF UNEMPLOYMENT AND  
19 UNDEREMPLOYMENT IN RURAL AREAS;

20 (IV) EXPANDING THE AVAILABILITY OF CAPITAL AND CREDIT FOR  
21 SMALL AND AGRICULTURAL BUSINESS DEVELOPMENT AND OTHERWISE PROMOTING  
22 ENTREPRENEURIAL ACTIVITY IN RURAL AREAS;

23 (V) RETAINING VALUABLE FARM AND FOREST LAND FOR  
24 PRODUCTIVE USE BY PRESENT AND FUTURE GENERATIONS;

25 (VI) PROMOTING INTERGOVERNMENTAL COOPERATION AND  
26 PUBLIC SECTOR/PRIVATE SECTOR PARTNERSHIPS IN AND BETWEEN RURAL AND  
27 OTHER AREAS;

28 (VII) ENHANCING THE DEPLOYMENT OF TRANSPORTATION,  
29 WASTEWATER, AND BROADBAND COMMUNICATIONS INFRASTRUCTURE AND  
30 SERVICES IN RURAL AREAS;

31 (VIII) SUPPORTING RURAL COMMERCIAL CENTER REDEVELOPMENT  
32 AND COMMUNITY REVITALIZATION EFFORTS; AND

33 (IX) GENERALLY PROMOTING THE HEALTH, HAPPINESS, SAFETY,  
34 EMPLOYMENT OPPORTUNITY, AND WELFARE OF THE RESIDENTS OF EACH OF THE  
35 RURAL COUNTIES AND MUNICIPAL CORPORATIONS OF THE STATE.

1 13-503.

2 (A) THERE IS A RURAL MARYLAND PROSPERITY INVESTMENT PROGRAM.

3 (B) THE PURPOSE OF THE PROGRAM IS TO PROVIDE SPECIFIED FUNDING FOR  
4 THE SUPPORT OF RURAL AREAS THROUGH STATE AND REGIONAL UNITS THROUGH  
5 2020 IN ACCORDANCE WITH §§ 13-504 AND 13-505 OF THIS SUBTITLE.

6 13-504.

7 (A) THIS SECTION APPLIES TO THE STATE BUDGETS PREPARED FOR FISCAL  
8 YEARS 2006 THROUGH 2010, INCLUSIVE.

9 (B) EACH YEAR THE DEPARTMENT OF BUSINESS AND ECONOMIC  
10 DEVELOPMENT SHALL INCLUDE THE FOLLOWING IN ITS BUDGET REQUEST TO THE  
11 GOVERNOR:

12 (1) AT LEAST \$7,500,000 FOR THE SMART GROWTH ECONOMIC  
13 DEVELOPMENT INFRASTRUCTURE FUND ESTABLISHED UNDER ARTICLE 83A, § 5-701  
14 OF THE CODE; AND

15 (2) AT LEAST \$2,000,000 EQUALLY APPORTIONED AMONG THE STATE'S  
16 FIVE RURAL REGIONAL PLANNING AND DEVELOPMENT COUNCILS ESTABLISHED  
17 UNDER ARTICLES 20, 20A, 20B, 20C, AND 20D OF THE CODE TO BE USED TO CAPITALIZE  
18 AND OPERATE REVOLVING BUSINESS DEVELOPMENT LOAN FUNDS ESTABLISHED BY  
19 THE COUNCILS.

20 (C) EACH YEAR THE DEPARTMENT OF BUDGET AND MANAGEMENT SHALL  
21 INCLUDE AT LEAST \$2,500,000 IN ITS BUDGET REQUEST TO THE GOVERNOR TO  
22 SUPPORT THE DEPLOYMENT OF BROADBAND COMMUNICATIONS INFRASTRUCTURE  
23 AND COMPETITIVE TELECOMMUNICATIONS SERVICES THROUGHOUT THE RURAL  
24 AREAS OF THE STATE TO ENHANCE BUSINESS AND ECONOMIC DEVELOPMENT.

25 (D) EACH YEAR THE DEPARTMENT OF HOUSING AND COMMUNITY  
26 DEVELOPMENT SHALL INCLUDE THE FOLLOWING IN ITS BUDGET REQUEST TO THE  
27 GOVERNOR:

28 (1) AT LEAST \$300,000 TO SUPPORT THE OPERATIONS OF A QUALIFIED  
29 STATEWIDE MICROENTERPRISE DEVELOPMENT INTERMEDIARY ORGANIZATION AND  
30 VARIOUS INDIVIDUAL EXISTING OR EMERGING MICROENTERPRISE DEVELOPMENT  
31 ORGANIZATIONS SERVING RURAL COMMUNITIES IN THE STATE; AND

32 (2) AT LEAST \$250,000 TO ASSIST SMALL COMMUNITIES WITH  
33 POPULATIONS OF LESS THAN 3,000 WITH PLANNING, DESIGN, AND APPLICATION  
34 PREPARATION FOR GRANTS MADE UNDER THE COMMUNITY LEGACY PROGRAM  
35 ESTABLISHED UNDER ARTICLE 83B, § 4-802 OF THE CODE.

1 13-505.

2 (A) THIS SECTION APPLIES TO THE STATE BUDGETS PREPARED FOR FISCAL  
3 YEARS 2006 THROUGH 2020, INCLUSIVE.

4 (B) EACH YEAR THE DEPARTMENT OF AGRICULTURE SHALL INCLUDE IN ITS  
5 BUDGET REQUEST TO THE GOVERNOR AT LEAST \$500,000 TO BE USED TO PROMOTE  
6 AND MARKET MARYLAND AGRICULTURAL PRODUCTS BOTH DOMESTICALLY AND  
7 INTERNATIONALLY.

8 (C) (1) EACH YEAR THE RURAL MARYLAND COUNCIL ESTABLISHED UNDER  
9 ARTICLE 41, TITLE 15 OF THE CODE SHALL INCLUDE THE FOLLOWING IN ITS BUDGET  
10 REQUEST TO THE GOVERNOR:

11 (I) AT LEAST \$200,000 TO BE USED TO PROVIDE SUPPORT FOR THE  
12 GENERAL OPERATIONS OF THE COUNCIL; AND

13 (II) AT LEAST \$500,000 FOR THE SMALL GRANTS PROGRAM  
14 AUTHORIZED UNDER THE MARYLAND AGRICULTURAL EDUCATION AND RURAL  
15 DEVELOPMENT ASSISTANCE FUND ESTABLISHED UNDER § 2-206 OF THE STATE  
16 FINANCE AND PROCUREMENT ARTICLE, OF WHICH NOT MORE THAN 10% MAY BE  
17 USED TO COVER ADMINISTRATIVE, TRAINING, AND OTHER EXPENSES INCURRED BY  
18 THE COUNCIL.

19 (2) IN ADDITION TO THE AMOUNT SPECIFIED IN PARAGRAPH (1)(II) OF  
20 THIS SUBSECTION, EACH YEAR THE RURAL MARYLAND COUNCIL SHALL INCLUDE IN  
21 ITS BUDGET REQUEST TO THE GOVERNOR A TOTAL OF \$1,300,000 FOR THE MARYLAND  
22 AGRICULTURAL EDUCATION AND RURAL DEVELOPMENT ASSISTANCE FUND  
23 EXCLUSIVELY FOR THE PURPOSE OF PROVIDING TARGETED SUPPORT TO THE  
24 STATE'S FIVE RURAL REGIONAL PLANNING AND DEVELOPMENT COUNCILS  
25 ESTABLISHED UNDER ARTICLES 20, 20A, 20B, 20C, AND 20D OF THE CODE, TO BE  
26 ALLOCATED AS FOLLOWS:

27 (I) IN SUBACCOUNT A, \$250,000 TO BE USED SOLELY TO PROVIDE  
28 BUSINESS DEVELOPMENT AND MARKETING SUPPORT TO AGRICULTURAL AND  
29 RESOURCE-BASED BUSINESSES WITHIN A RURAL REGION;

30 (II) IN SUBACCOUNT B, \$800,000 TO BE USED SOLELY TO SUPPORT  
31 ACTIVITIES RELATED TO TRANSPORTATION PLANNING WITHIN A RURAL REGION;  
32 AND

33 (III) IN SUBACCOUNT C, \$250,000 TO BE USED FOR ACTIVITIES  
34 RELATED TO DEFENSE INDUSTRY DEVELOPMENT RETENTION, SOCIAL SERVICES  
35 AND HEALTH CARE ACCESS, AND MAJOR ECONOMIC DISLOCATION WITHIN A RURAL  
36 REGION.

37 (3) (I) THE SUBACCOUNT FUNDS DISTRIBUTED TO THE RURAL  
38 REGIONAL PLANNING AND DEVELOPMENT COUNCILS UNDER PARAGRAPH (2) OF  
39 THIS SUBSECTION SHALL BE AWARDED ON A COMPETITIVE BASIS BY THE

1 INTERAGENCY GRANTS SELECTION BOARD ESTABLISHED UNDER § 2-206 OF THE  
2 STATE FINANCE AND PROCUREMENT ARTICLE.

3 (II) THE BOARD MAY DECLINE TO AWARD A GRANT IF IN ITS  
4 JUDGMENT THE GRANT APPLICATION IS INCOMPLETE OR LACKS MERIT.

5 (III) IF IN ANY GIVEN YEAR FUNDS REMAIN TO BE DISPERSED IN A  
6 SUBACCOUNT AFTER THE GRANT AWARDS ARE MADE, THOSE FUNDS SHALL BE  
7 RETAINED IN THE FUND FOR FUTURE DISTRIBUTION.

8 (D) (1) EACH YEAR THE DEPARTMENT OF HOUSING AND COMMUNITY  
9 DEVELOPMENT SHALL INCLUDE THE FOLLOWING IN ITS BUDGET REQUEST TO THE  
10 GOVERNOR:

11 (I) AT LEAST \$250,000 FOR THE MUNICIPAL CIRCUIT RIDER  
12 ASSISTANCE PROGRAM TO SUPPORT AND STRENGTHEN EFFORTS IN EXISTING  
13 CIRCUITS AND TO ADD NEW CIRCUITS IN AREAS OF NEED ACROSS THE STATE; AND

14 (II) AT LEAST \$250,000 FOR THE MAIN STREET ASSISTANCE  
15 PROGRAM WITH A SPECIAL EMPHASIS ON HELPING SMALLER RURAL COMMUNITIES  
16 THAT DO NOT HAVE THE RESOURCES TO EMPLOY FULL-TIME STAFF.

17 (2) AT LEAST 25% OF THE ANNUAL APPROPRIATION FOR THE  
18 COMMUNITY LEGACY PROGRAM ESTABLISHED UNDER ARTICLE 83B, § 4-802 OF THE  
19 CODE SHALL BE RESERVED FOR GRANTS FOR COMMUNITIES LOCATED IN RURAL  
20 AREAS OF THE STATE.

21 (E) EACH YEAR THE DEPARTMENT OF THE ENVIRONMENT SHALL INCLUDE AT  
22 LEAST \$10,000,000 IN ITS BUDGET REQUEST SUBMITTED TO THE GOVERNOR FOR THE  
23 SUPPLEMENTAL ASSISTANCE GRANT PROGRAM FOR WASTEWATER FACILITY  
24 IMPROVEMENTS IN SMALLER COMMUNITIES AND IN COMMUNITIES WITH MEDIAN  
25 HOUSEHOLD INCOMES BELOW THE STATEWIDE AVERAGE.

26 (F) THE BOARD OF PUBLIC WORKS SHALL INCLUDE THE FOLLOWING  
27 AMOUNTS IN ITS BUDGET SUBMISSION TO THE GOVERNOR FOR THE MARYLAND  
28 AGRICULTURAL AND RESOURCE-BASED INDUSTRY DEVELOPMENT CORPORATION  
29 ESTABLISHED UNDER SUBTITLE 6 OF THIS TITLE:

30 (1) FOR FISCAL YEAR 2006 - \$4,500,000;

31 (2) FOR FISCAL YEAR 2007 - \$4,250,000;

32 (3) FOR FISCAL YEAR 2008 - \$4,000,000;

33 (4) FOR FISCAL YEAR 2009 - \$3,750,000;

34 (5) FOR FISCAL YEAR 2010 - \$3,500,000;

35 (6) FOR FISCAL YEAR 2011 - \$3,250,000;

36 (7) FOR FISCAL YEAR 2012 - \$3,000,000;

- 1 (8) FOR FISCAL YEAR 2013 - \$2,750,000;  
2 (9) FOR FISCAL YEAR 2014 - \$2,500,000;  
3 (10) FOR FISCAL YEAR 2015 - \$2,250,000;  
4 (11) FOR FISCAL YEAR 2016 - \$2,000,000;  
5 (12) FOR FISCAL YEAR 2017 - \$1,750,000;  
6 (13) FOR FISCAL YEAR 2018 - \$1,500,000;  
7 (14) FOR FISCAL YEAR 2019 - \$1,250,000; AND  
8 (15) FOR FISCAL YEAR 2020 - \$1,000,000.

9 (G) (1) IN FISCAL YEAR 2006, THE BASELINE BUDGETS OF THE  
10 DEPARTMENTS AND UNITS SPECIFIED IN SUBSECTIONS (B) THROUGH (F) OF THIS  
11 SECTION SHALL INCREASE BY THE AMOUNTS SPECIFIED IN THOSE SUBSECTIONS.

12 (2) IF, WHILE THE PROGRAM IS IN EFFECT, THE GOVERNOR AND  
13 GENERAL ASSEMBLY FAIL TO APPROPRIATE ANY OR ALL OF THE INDIVIDUAL FUND  
14 AMOUNTS SPECIFIED IN SUBSECTIONS (B) THROUGH (F) OF THIS SECTION IN ANY  
15 GIVEN FISCAL YEAR, THE BASELINE BUDGET OF THE AFFECTED DEPARTMENT OR  
16 UNIT SHALL BE INCREASED IN THE NEXT YEAR BY THE DIFFERENCE BETWEEN THE  
17 AMOUNT SPECIFIED IN THIS SECTION AND THE AMOUNT ACTUALLY APPROPRIATED.

18 (3) IF IN 2 OR MORE FISCAL YEARS THE GOVERNOR AND GENERAL  
19 ASSEMBLY FAIL TO APPROPRIATE ANY OR ALL OF THE INDIVIDUAL FUND AMOUNTS  
20 SPECIFIED IN SUBSECTIONS (B) THROUGH (F) OF THIS SECTION IN ANY GIVEN  
21 FISCAL YEAR, THE BASELINE BUDGET INCREASE REQUIRED UNDER PARAGRAPH (1)  
22 OF THIS SUBSECTION SHALL BE CALCULATED WITH A CUMULATIVE EFFECT.

23 13-506.

24 (A) WITHIN 90 DAYS AFTER THE START OF EACH FISCAL YEAR, THE  
25 DEPARTMENT OF BUDGET AND MANAGEMENT SHALL REPORT ON THE PROGRAM TO  
26 THE WESTERN MARYLAND, SOUTHERN MARYLAND, EASTERN SHORE, AND HARFORD  
27 COUNTY DELEGATIONS TO THE GENERAL ASSEMBLY, AND, SUBJECT TO § 2-1246 OF  
28 THE STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY.

29 (B) THE REPORT SHALL SET FORTH AN ANNUAL AND CUMULATIVE  
30 FINANCIAL ANALYSIS OF THE PROGRAM AND ITS FUNDING, AND SUMMARIZE THE  
31 PROGRAM'S ACCOMPLISHMENTS DURING THE PRECEDING FISCAL YEAR.

32 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
33 read as follows:

**Article 41 - Governor - Executive and Administrative Departments**SUBTITLE 6. MARYLAND AGRICULTURAL AND RESOURCE-BASED INDUSTRY  
DEVELOPMENT CORPORATION.

4 13-601.

5 (A) IN THIS SUBTITLE THE FOLLOWING TERMS HAVE THE MEANINGS  
6 INDICATED.

7 (B) "AGRICULTURAL LOAN" MEANS A LOAN MADE BY A LENDING INSTITUTION  
8 TO ANY PERSON FOR THE PURPOSE OF FINANCING:

9 (1) LAND ACQUISITION OR IMPROVEMENT;

10 (2) AGRICULTURAL, AQUACULTURAL, EQUINE, HORTICULTURAL, OR  
11 SILVICULTURAL PRODUCTION;

12 (3) SOIL CONSERVATION;

13 (4) POND CONSTRUCTION;

14 (5) IRRIGATION;

15 (6) WATER WELL DRILLING;

16 (7) CONSTRUCTION, RENOVATION, OR EXPANSION OF BUILDINGS AND  
17 FACILITIES;

18 (8) PURCHASE OF FARM FIXTURES, LIVESTOCK, OR POULTRY;

19 (9) FISH, CRUSTACEANS, AND MOLLUSKS OF ANY KIND;

20 (10) SEEDS, PLANTS, AND TREES;

21 (11) FERTILIZERS;

22 (12) PESTICIDES;

23 (13) FEEDS;

24 (14) MACHINERY;

25 (15) EQUIPMENT; OR

26 (16) CONTAINERS OR SUPPLIES EMPLOYED IN THE PRODUCTION,  
27 CULTIVATION, HARVESTING, PROCESSING, STORAGE, MARKETING, DISTRIBUTION,  
28 OR EXPORT OF AGRICULTURAL PRODUCTS.

29 (C) "AGRICULTURE" MEANS THE COMMERCIAL PRODUCTION, STORAGE,  
30 PROCESSING, MARKETING, DISTRIBUTION, OR EXPORT OF AN AGRONOMIC,

1 AQUACULTURAL, EQUINE, FLORICULTURAL, HORTICULTURAL, ORNAMENTAL,  
2 SILVICULTURAL, OR VITICULTURAL CROP, INCLUDING:

- 3 (1) FARM PRODUCTS;
- 4 (2) LIVESTOCK AND LIVESTOCK PRODUCTS;
- 5 (3) POULTRY AND POULTRY PRODUCTS;
- 6 (4) MILK AND DAIRY PRODUCTS;
- 7 (5) TIMBER AND FOREST PRODUCTS;
- 8 (6) FRUIT AND HORTICULTURAL PRODUCTS; AND
- 9 (7) SEAFOOD AND AQUACULTURAL PRODUCTS.

10 (D) "BOARD" MEANS THE BOARD OF DIRECTORS OF THE CORPORATION.

11 (E) "BOND" MEANS A BOND, NOTE, RENEWAL NOTE, REFUNDING BOND,  
12 INTERIM CERTIFICATE, CERTIFICATE OF INDEBTEDNESS, DEBENTURE, WARRANT,  
13 COMMERCIAL PAPER, OR OTHER OBLIGATION OR EVIDENCE OF INDEBTEDNESS  
14 AUTHORIZED TO BE ISSUED BY THE CORPORATION UNDER THIS SUBTITLE.

15 (F) "CORPORATION" MEANS THE MARYLAND AGRICULTURAL AND  
16 RESOURCE-BASED INDUSTRY DEVELOPMENT CORPORATION ESTABLISHED UNDER  
17 THIS SUBTITLE.

18 (G) "LENDING INSTITUTION" MEANS A BANK, BANK OR TRUST COMPANY,  
19 FEDERAL LAND BANK, FARM CREDIT ASSOCIATION, BANK FOR COOPERATIVES,  
20 BUILDING AND LOAN ASSOCIATION, HOMESTEAD, INSURANCE COMPANY,  
21 INVESTMENT BANKER, MORTGAGE BANKER OR COMPANY, PENSION OR RETIREMENT  
22 FUND, SAVINGS BANK OR SAVINGS AND LOAN ASSOCIATION, SMALL BUSINESS  
23 INVESTMENT COMPANY, CREDIT UNION, OR ANY OTHER FINANCIAL INSTITUTION  
24 AUTHORIZED TO DO BUSINESS IN THE STATE OR OPERATING UNDER THE  
25 SUPERVISION OF A FEDERAL UNIT.

26 (H) (1) "PERSON" MEANS AN INDIVIDUAL, RECEIVER, TRUSTEE, GUARDIAN,  
27 PERSONAL REPRESENTATIVE, FIDUCIARY, REPRESENTATIVE OF ANY KIND,  
28 PARTNERSHIP, FIRM, ASSOCIATION, CORPORATION, OR OTHER ENTITY.

29 (2) "PERSON" INCLUDES A UNIT OF A STATE OR OF THE FEDERAL  
30 GOVERNMENT.

31 (I) (1) "PROJECT" MEANS A PROPERTY, THE ACQUISITION, CONSTRUCTION,  
32 RECONSTRUCTION, EQUIPPING, EXPANSION, EXTENSION, IMPROVEMENT,  
33 REHABILITATION, OR REMODELING OF WHICH THE BOARD, IN ITS SOLE AND  
34 ABSOLUTE DISCRETION, DETERMINES BY RESOLUTION WILL ACCOMPLISH AT LEAST  
35 ONE OF THE PURPOSES LISTED IN §§ 13-602 AND 13-603 OF THIS SUBTITLE, WHETHER  
36 THE PROPERTY, OR ANY INTEREST IN THE PROPERTY:

1 (I) IS OR WILL BE USED OR OPERATED FOR PROFIT OR NOT FOR  
2 PROFIT;

3 (II) IS OR WILL BE LOCATED ON A SINGLE SITE OR MULTIPLE SITES;  
4 OR

5 (III) MAY BE FINANCED BY BONDS, THE INTEREST ON WHICH IS  
6 EXEMPT FROM FEDERAL INCOME TAXATION UNDER FEDERAL LAW.

7 (2) "PROJECT" INCLUDES:

8 (I) LAND OR ANY INTEREST IN LAND;

9 (II) BUILDINGS, STRUCTURES, MACHINERY, EQUIPMENT,  
10 FURNISHINGS, RAIL OR MOTOR VEHICLES, BARGES, AND BOATS;

11 (III) REAL OR PERSONAL PROPERTY, OR ANY COMBINATION OF  
12 THEM, AND RIGHTS RELATED TO THE PROPERTY, APPURTENANCES, RIGHTS-OF-WAY,  
13 FRANCHISES, EASEMENTS, AND OTHER INTERESTS IN LAND;

14 (IV) LAND AND FACILITIES FUNCTIONALLY RELATED AND  
15 SUBORDINATE TO THE PROJECT; AND

16 (V) PATENTS, LICENSES, AND OTHER RIGHTS NECESSARY OR  
17 USEFUL IN THE CONSTRUCTION OR OPERATION OF A PROJECT.

18 (J) (1) "REVENUE" MEANS THE INCOME, REVENUE, AND OTHER MONEY  
19 RECEIVED BY THE CORPORATION FROM OR IN CONNECTION WITH A PROJECT.

20 (2) "REVENUE" INCLUDES GRANTS, RENTALS, RATES, FEES, CHARGES  
21 FOR THE USE OF THE SERVICES FURNISHED OR AVAILABLE, AND ALL OTHER  
22 INCOME INURING TO THE CORPORATION.

23 (3) THE CORPORATION MAY FURTHER DEFINE OR LIMIT THE TERM  
24 "REVENUE" AS APPLIED TO A PARTICULAR PROJECT, FINANCING, OR OTHER MATTER.  
25 13-602.

26 THE GENERAL ASSEMBLY FINDS THAT:

27 (1) THE STATE'S AGRICULTURAL AND RESOURCE-BASED INDUSTRIES  
28 CONTINUE TO UNDERPIN THE LOCAL ECONOMIES OF RURAL COMMUNITIES, BUT  
29 ARE INCREASINGLY UNDER THREAT FROM NATIONAL AND INTERNATIONAL MARKET  
30 COMPETITION, URBAN ENCROACHMENT AND LAND DEVELOPMENT PRESSURE, AND  
31 ENVIRONMENTAL AND REGULATORY INFLUENCES;

32 (2) THE CONSTRUCTION AND RENOVATION OF FOOD AND FIBER  
33 PROCESSING AND SECONDARY MANUFACTURING FACILITIES OFTEN REQUIRE  
34 CREDIT AND CAPITAL IN AMOUNTS THAT FAR EXCEED THE AVAILABLE RESOURCES  
35 OF INDIVIDUAL SMALL PRODUCERS AND SMALL BUSINESSES;

1 (3) PRIVATE ENTERPRISE AND EXISTING FEDERAL AND STATE  
2 GOVERNMENTAL PROGRAMS HAVE NOT ADEQUATELY ADDRESSED AGRICULTURAL  
3 INDUSTRY SUPPORT OR DEVELOPMENTAL OPPORTUNITIES RELATING TO EMERGENT  
4 VALUE-ADDED AGRICULTURAL PROCESSING ACTIVITIES, NEW OR ALTERNATIVE  
5 MARKETS DEVELOPMENT, PRIMARY AND SECONDARY MANUFACTURING,  
6 ASSISTANCE FOR BEGINNING FARMERS AND PRODUCERS, AND FINANCIAL SUPPORT  
7 FOR ENVIRONMENTAL OR TECHNOLOGICAL ENHANCEMENTS;

8 (4) WHILE SOME TRADITIONAL AGRICULTURAL ENTERPRISES IN THE  
9 STATE MAY HAVE ACCESS TO MARKETS, CAPITAL, AND CREDIT, OTHER EXISTING OR  
10 EMERGING SEGMENTS OF THE AGRICULTURAL INDUSTRY LACK MARKET ACCESS,  
11 CAPITAL, AND CREDIT AVAILABLE FOR INVESTMENT IN AGRICULTURE, FOR  
12 DOMESTIC AND EXPORT PURPOSES, AND AT INTEREST RATES WITHIN THE  
13 FINANCIAL MEANS OF PERSONS ENGAGED IN AGRICULTURAL PRODUCTION AND  
14 AGRICULTURAL EXPORTS;

15 (5) IN CONJUNCTION WITH THE FINANCIAL AND OTHER CHALLENGES  
16 ASSOCIATED WITH TRADITIONAL AGRICULTURAL INDUSTRY, THERE IS A NEED TO  
17 PROVIDE ECONOMIC AND MARKET DEVELOPMENT ASSISTANCE TO THOSE  
18 INDIVIDUALS WHO WISH TO START, CONVERT, OR DIVERSIFY THEIR AGRICULTURAL  
19 OPERATIONS, OR TO MAKE IMPROVEMENTS ASSOCIATED WITH ENVIRONMENTAL  
20 REGULATIONS AND POTENTIAL MARKET OPPORTUNITIES; AND

21 (6) IT IS A MATTER OF SIGNIFICANT RURAL ECONOMIC DEVELOPMENT  
22 IMPORTANCE THAT THE MARYLAND AGRICULTURAL AND RESOURCE-BASED  
23 INDUSTRY DEVELOPMENT CORPORATION BE CREATED AND AUTHORIZED TO:

24 (I) DEVELOP AGRICULTURAL INDUSTRIES AND MARKETS;

25 (II) SUPPORT APPROPRIATE COMMERCIALIZATION OF  
26 AGRICULTURAL PROCESSES AND TECHNOLOGY; AND

27 (III) ALLEVIATE THE SHORTAGE OF NONTRADITIONAL CAPITAL AND  
28 CREDIT AVAILABLE AT AFFORDABLE INTEREST RATES FOR:

29 1. INVESTMENT IN AGRICULTURE TO PROMOTE AND ASSIST  
30 AGRICULTURE IN THE STATE;

31 2. THE SALE OF AGRICULTURAL PRODUCTS, COMMODITIES,  
32 AND SERVICES; AND

33 3. CAPITAL INVESTMENT IN AGRICULTURAL PROJECTS BY  
34 PROVIDING CAPITAL AND CREDIT WITHIN THE FINANCIAL MEANS OF PERSONS  
35 ENGAGED IN AGRICULTURE IN THE STATE.

36 13-603.

37 (A) THERE IS A MARYLAND AGRICULTURAL AND RESOURCE-BASED INDUSTRY  
38 DEVELOPMENT CORPORATION.

1 (B) THE CORPORATION IS:

2 (1) A PUBLIC CORPORATION; AND

3 (2) AN INSTRUMENTALITY OF THE STATE.

4 (C) THE PURPOSE OF THE CORPORATION IS TO:

5 (1) ASSIST THE VIABILITY OF THE STATE'S DIVERSE AGRICULTURAL  
6 INDUSTRY THROUGH NEW MARKETS DEVELOPMENT, CAPITAL AND CREDIT  
7 ENHANCEMENTS, AND TECHNICAL AND OTHER ASSISTANCE TO SUPPORT, CREATE,  
8 AND SUSTAIN AGRICULTURAL BUSINESSES THROUGHOUT THE STATE;

9 (2) PROVIDE FINANCING AND OTHER ASSISTANCE FOR PRODUCT  
10 DEVELOPMENT, START-UP AND SCALE-UP OF MARYLAND FOOD- AND  
11 FIBER-RELATED GROWING AND PROCESSING OPERATIONS, AND FOR  
12 TECHNOLOGICAL ENHANCEMENTS THAT BENEFIT THE ENVIRONMENT AND WATER  
13 QUALITY;

14 (3) SEEK PARTNERSHIPS AND LEVERAGING OPPORTUNITIES WITH  
15 PUBLIC AND PRIVATE FOR-PROFIT AND NOT-FOR-PROFIT ENTITIES IN MAKING  
16 CAPITAL AND CREDIT ASSISTANCE AVAILABLE TO INDIVIDUAL PRODUCERS,  
17 PRODUCER COOPERATIVES, AND OTHER AGRIBUSINESS CONCERNS OPERATING IN  
18 THE STATE;

19 (4) FACILITATE AND SUPPORT ACCESS TO HIGH QUALITY TECHNICAL  
20 RESOURCES FOR AGRICULTURAL ENTREPRENEURS BY INCORPORATING EXISTING  
21 SUPPORT INFRASTRUCTURE INCLUDING THE DEVELOPMENT OF STRATEGIC  
22 PARTNERING OPPORTUNITIES AND BUSINESS INCUBATION;

23 (5) FOSTER CROSS-INDUSTRY COMMUNICATION AND ASSIST OTHER  
24 ORGANIZATIONS IN TRANSFERRING TO THE PRIVATE SECTOR AND  
25 COMMERCIALIZING THE RESULTS AND PRODUCTS OF SCIENTIFIC AGRICULTURAL  
26 RESEARCH AND DEVELOPMENT CONDUCTED BY THE FEDERAL GOVERNMENT AND  
27 COLLEGES AND UNIVERSITIES; AND

28 (6) WORK WITH PUBLIC AND PRIVATE LENDING AND GRANT-MAKING  
29 INSTITUTIONS TO:

30 (I) MAKE LOW- AND NO-INTEREST LOANS AND LOAN  
31 GUARANTEES AVAILABLE FOR AGRICULTURAL PRODUCT DEVELOPMENT, PRIMARY  
32 PROCESSING, AND SECONDARY MANUFACTURING;

33 (II) PROVIDE CREDIT AND CAPITAL TO FIRST-TIME FARMERS FOR  
34 LAND, EQUIPMENT, AND WORKING CAPITAL ACQUISITION; AND

35 (III) MAKE INCENTIVES AVAILABLE FOR ACTIVITIES RELATED TO  
36 SMALL FARM OR SMALL LANDOWNER VIABILITY AND BEST MANAGEMENT  
37 PRACTICES.

1 13-604.

2 (A) (1) THERE IS A BOARD OF DIRECTORS OF THE CORPORATION.

3 (2) THE BOARD MANAGES THE CORPORATION AND EXERCISES ALL OF  
4 ITS CORPORATE POWERS.

5 (B) THE BOARD CONSISTS OF THE FOLLOWING MEMBERS:

6 (1) AS EX OFFICIO MEMBERS:

7 (I) THE SECRETARY OF AGRICULTURE OR A DESIGNEE OF THE  
8 SECRETARY WHO MUST BE A SENIOR-LEVEL DEPARTMENTAL OFFICIAL;

9 (II) THE SECRETARY OF NATURAL RESOURCES OR A DESIGNEE OF  
10 THE SECRETARY WHO MUST BE A SENIOR-LEVEL DEPARTMENTAL OFFICIAL;

11 (III) THE SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT  
12 OR A DESIGNEE OF THE SECRETARY WHO MUST BE A SENIOR-LEVEL  
13 DEPARTMENTAL OFFICIAL;

14 (IV) THE EXECUTIVE DIRECTOR OF THE MARYLAND FOOD CENTER  
15 AUTHORITY;

16 (V) THE EXECUTIVE DIRECTOR OF THE RURAL MARYLAND  
17 COUNCIL; AND

18 (VI) THE DIRECTOR OF THE MARYLAND COOPERATIVE EXTENSION  
19 SERVICE; AND

20 (2) ELEVEN INDIVIDUALS APPOINTED BY THE GOVERNOR WITH THE  
21 ADVICE AND CONSENT OF THE SENATE AS FOLLOWS:

22 (I) TWO AGRICULTURAL PRODUCERS REPRESENTING AT LEAST  
23 TWO DIFFERENT FARM COMMODITY INDUSTRIES IN THE STATE;

24 (II) TWO REPRESENTATIVES FROM COMMERCIAL LENDING  
25 INSTITUTIONS SERVING RURAL REGIONS IN THE STATE, ONE OF WHOM MUST  
26 REPRESENT A MAJOR FARM CREDIT ORGANIZATION OPERATING IN THE STATE;

27 (III) ONE REPRESENTATIVE OF THE TIMBER AND FOREST  
28 PRODUCTS INDUSTRY;

29 (IV) ONE REPRESENTATIVE OF THE AQUACULTURE INDUSTRY;

30 (V) ONE REPRESENTATIVE OF THE COMMERCIAL SEAFOOD  
31 HARVESTING AND PROCESSING INDUSTRY;

32 (VI) ONE INDIVIDUAL WITH KNOWLEDGE AND EXPERIENCE IN THE  
33 AREA OF OPERATING COMMERCIAL FOOD OR FIBER PROCESSING FACILITIES;

1 (VII) ONE INDIVIDUAL WITH KNOWLEDGE AND EXPERIENCE IN THE  
2 AREA OF PUBLIC FINANCE;

3 (VIII) ONE INDIVIDUAL WITH KNOWLEDGE AND EXPERIENCE IN THE  
4 AREA OF RURAL ECONOMIC DEVELOPMENT OR AGRICULTURAL MARKETING; AND

5 (IX) ONE INDIVIDUAL WITH KNOWLEDGE ABOUT THE  
6 AGRICULTURAL, FORESTRY, OR SEAFOOD INDUSTRIES IN THE STATE OR WITH  
7 SUBSTANTIAL AND RELEVANT ECONOMIC DEVELOPMENT EXPERIENCE.

8 (C) (1) IN APPOINTING BOARD MEMBERS UNDER SUBSECTION (B)(2) OF THIS  
9 SECTION, THE GOVERNOR SHALL CONSIDER ALL OF THE GEOGRAPHIC REGIONS OF  
10 THE STATE.

11 (2) A BOARD MEMBER MUST BE A RESIDENT OF THE STATE.

12 (3) A BOARD MEMBER:

13 (I) SERVES WITHOUT COMPENSATION; BUT

14 (II) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE  
15 STANDARD STATE TRAVEL REGULATIONS AS PROVIDED IN THE STATE BUDGET.

16 (4) THE GOVERNOR MAY REMOVE A BOARD MEMBER FOR  
17 INCOMPETENCE, MISCONDUCT, OR FAILURE TO PERFORM THE DUTIES OF THE  
18 POSITION.

19 (D) (1) THE TERM OF A BOARD MEMBER APPOINTED UNDER SUBSECTION  
20 (B)(2) OF THIS SECTION IS 4 YEARS.

21 (2) THE TERMS OF THE APPOINTED MEMBERS ARE STAGGERED AS  
22 REQUIRED BY THE TERMS PROVIDED FOR THE MEMBERS ON JULY 1, 2004.

23 (3) AT THE END OF A TERM, AN APPOINTED MEMBER CONTINUES TO  
24 SERVE UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.

25 (4) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES  
26 ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND  
27 QUALIFIES.

28 (E) THE BOARD SHALL ELECT A CHAIR FROM AMONG ITS MEMBERS.

29 (F) THE BOARD MAY ACT WITH AN AFFIRMATIVE VOTE OF NINE MEMBERS.

30 13-605.

31 THE CORPORATION SHALL EMPLOY AN EXECUTIVE DIRECTOR WITH  
32 EXPERIENCE AND QUALIFICATIONS RELEVANT TO THE ACTIVITIES AND THE  
33 PURPOSES OF THE CORPORATION.

1 13-606.

2 THE ATTORNEY GENERAL SHALL SERVE AS LEGAL ADVISOR TO THE  
3 CORPORATION.

4 13-607.

5 THE CORPORATION MAY:

6 (1) ADOPT BYLAWS;

7 (2) ADOPT A SEAL;

8 (3) MAINTAIN OFFICES AT A PLACE IN THE STATE THAT THE  
9 CORPORATION DESIGNATES;

10 (4) APPLY FOR AND ACCEPT LOANS, GRANTS, OR ASSISTANCE IN ANY  
11 FORM FROM FEDERAL, STATE, OR LOCAL GOVERNMENTS, COLLEGES OR  
12 UNIVERSITIES, OR PRIVATE SOURCES;

13 (5) MAKE, EXECUTE, AND ENTER INTO ANY CONTRACTS OR LEGAL  
14 INSTRUMENTS;

15 (6) SUE OR BE SUED;

16 (7) ACQUIRE, CONSTRUCT, DEVELOP, MANAGE, MARKET,  
17 MANUFACTURE, LICENSE, SUBLICENSE, RECONSTRUCT, REHABILITATE, IMPROVE,  
18 MAINTAIN, EQUIP, LEASE AS A LESSOR OR AS A LESSEE, REPAIR, AND OPERATE ANY  
19 PROJECT IN THE STATE TO CARRY OUT THE PURPOSES OF THE CORPORATION;

20 (8) ACQUIRE, PURCHASE, HOLD, LEASE AS A LESSEE, AND USE A  
21 FRANCHISE, PATENT, OR LICENSE AND REAL, PERSONAL, MIXED, OR TANGIBLE OR  
22 INTANGIBLE PROPERTY, OR ANY INTEREST IN PROPERTY;

23 (9) SELL, LEASE AS A LESSOR, TRANSFER, LICENSE, SUBLICENSE,  
24 ASSIGN, AND DISPOSE OF ANY PROPERTY OR INTEREST IN PROPERTY, NECESSARY OR  
25 CONVENIENT TO CARRY OUT ITS PURPOSES;

26 (10) ACQUIRE, DIRECTLY OR INDIRECTLY, BY PURCHASE, GIFT, OR  
27 DEVISE, LAND, REAL OR PERSONAL PROPERTY, RIGHTS, RIGHTS-OF-WAY,  
28 FRANCHISES, EASEMENTS, AND OTHER INTERESTS IN LAND, INCLUDING LAND  
29 LYING UNDER WATER AND RIPARIAN RIGHTS, LOCATED IN OR OUTSIDE THE STATE  
30 AS NECESSARY OR CONVENIENT TO CONSTRUCT, IMPROVE, REHABILITATE, OR  
31 OPERATE A PROJECT, ON TERMS AND AT PRICES THE CORPORATION CONSIDERS  
32 REASONABLE;

33 (11) FIX, REVISE, AND COLLECT RATES, RENTALS, FEES, ROYALTIES, AND  
34 CHARGES FOR THE USE OF OR FOR SERVICES AND RESOURCES PROVIDED OR MADE  
35 AVAILABLE BY THE CORPORATION;

1 (12) MAKE GRANTS TO OR PROVIDE EQUITY INVESTMENT FINANCING  
2 FOR AGRICULTURAL AND RESOURCE-BASED BUSINESSES;

3 (13) ENGAGE ANY NECESSARY ACCOUNTANTS, ENGINEERS, FINANCIAL  
4 ADVISORS, AND OTHER CONSULTANTS;

5 (14) WITH THE APPROVAL OF THE ATTORNEY GENERAL, ENGAGE ANY  
6 NECESSARY LAWYERS;

7 (15) CREATE, OWN, CONTROL, OR BE A MEMBER OF, A CORPORATION,  
8 LIMITED LIABILITY COMPANY, PARTNERSHIP, OR OTHER ENTITY, WHETHER  
9 OPERATED FOR PROFIT OR NOT FOR PROFIT;

10 (16) ENTER INTO A PROJECT WITH A MANUFACTURER TO CARRY OUT THE  
11 PURPOSES OF THE CORPORATION;

12 (17) EXERCISE A POWER USUALLY POSSESSED BY A PRIVATE  
13 CORPORATION IN PERFORMING SIMILAR FUNCTIONS UNLESS TO DO SO WOULD  
14 CONFLICT WITH THE LAWS OF THE STATE; AND

15 (18) DO ANYTHING NECESSARY OR CONVENIENT TO CARRY OUT THE  
16 POWERS GRANTED BY THIS SUBTITLE.

17 13-608.

18 THE CORPORATION MAY:

19 (1) SUBJECT TO THE RIGHTS OF HOLDERS OF BONDS OF THE  
20 CORPORATION:

21 (I) RENEGOTIATE, REFINANCE, OR FORECLOSE ON ANY  
22 MORTGAGE, SECURITY INTEREST, OR LIEN;

23 (II) COMMENCE ANY ACTION TO PROTECT OR ENFORCE ANY RIGHT  
24 OR BENEFIT CONFERRED ON THE CORPORATION BY ANY LAW, MORTGAGE, SECURITY  
25 INTEREST, LIEN, CONTRACT, OR OTHER AGREEMENT; AND

26 (III) BID FOR AND PURCHASE PROPERTY AT ANY FORECLOSURE OR  
27 AT ANY OTHER SALE OR OTHERWISE ACQUIRE OR TAKE POSSESSION OF ANY  
28 PROPERTY, IN WHICH CASE THE CORPORATION MAY COMPLETE, ADMINISTER, PAY  
29 THE PRINCIPAL OF ANY INTEREST ON ANY OBLIGATION INCURRED IN CONNECTION  
30 WITH THE PROPERTY, DISPOSE OF AND OTHERWISE DEAL WITH THE PROPERTY IN  
31 ANY MANNER NECESSARY OR DESIRABLE TO PROTECT THE INTEREST OF THE  
32 CORPORATION OR THE HOLDERS OF ITS BONDS IN THE PROPERTY;

33 (2) PROCURE OR PROVIDE FOR THE PROCUREMENT OF INSURANCE OR  
34 REINSURANCE AGAINST ANY LOSS IN CONNECTION WITH ITS PROPERTY OR  
35 OPERATIONS, INCLUDING INSURANCE, REINSURANCE, OR OTHER GUARANTEES  
36 FROM ANY FEDERAL OR STATE GOVERNMENTAL UNIT OR PRIVATE INSURANCE  
37 COMPANY FOR THE PAYMENT OF ANY BONDS ISSUED BY THE CORPORATION, OR

1 BONDS, NOTES OR ANY OTHER OBLIGATIONS OR EVIDENCES OF INDEBTEDNESS  
2 ISSUED OR MADE BY ANY LENDING INSTITUTION OR OTHER ENTITY OR PERSON, OR  
3 INSURANCE OR REINSURANCE AGAINST LOSS WITH RESPECT TO AGRICULTURAL  
4 LOANS, MORTGAGES OR MORTGAGE LOANS, OR ANY OTHER TYPE OF LOANS,  
5 INCLUDING THE POWER TO PAY PREMIUMS ON THE INSURANCE OR REINSURANCE;

6 (3) INSURE, CO-INSURE, REINSURE, OR CAUSE TO BE INSURED,  
7 CO-INSURED, OR REINSURED, AGRICULTURAL LOANS, MORTGAGE LOANS OR  
8 MORTGAGES, OR ANY OTHER TYPE OF LOANS AND PAY OR RECEIVE PREMIUMS ON  
9 THE INSURANCE, CO-INSURANCE, OR REINSURANCE, AND ESTABLISH RESERVES  
10 FOR LOSSES, AND PARTICIPATE IN THE INSURANCE, CO-INSURANCE, OR  
11 REINSURANCE OF AGRICULTURAL LOANS, MORTGAGE LOANS OR MORTGAGES, OR  
12 ANY OTHER TYPE OF LOANS WITH THE FEDERAL OR STATE GOVERNMENT OR ANY  
13 PRIVATE INSURANCE COMPANY;

14 (4) UNDERTAKE AND CARRY OUT OR AUTHORIZE THE COMPLETION OF  
15 STUDIES AND ANALYSES OF AGRICULTURAL CONDITIONS AND NEEDS IN THE STATE  
16 AND NEEDS RELATING TO THE PROMOTION OF AGRICULTURAL INDUSTRIES AND  
17 WAYS OF MEETING THOSE NEEDS, AND MAKE THE STUDIES AND ANALYSES  
18 AVAILABLE TO THE PUBLIC AND TO THE AGRICULTURAL INDUSTRIES, AND TO  
19 ENGAGE IN RESEARCH OR DISSEMINATE INFORMATION ON AGRICULTURE AND  
20 AGRICULTURAL MARKETING AND PROMOTION;

21 (5) ACCEPT FEDERAL, STATE, OR PRIVATE FINANCIAL OR TECHNICAL  
22 ASSISTANCE AND COMPLY WITH ANY CONDITIONS FOR THAT ASSISTANCE THAT ARE  
23 NOT IN CONFLICT WITH THE INTENT OF THIS SUBTITLE;

24 (6) ESTABLISH AND COLLECT FEES AND CHARGES IN CONNECTION  
25 WITH ITS LOANS, DEPOSITS, INSURANCE COMMITMENTS, AND SERVICES, INCLUDING  
26 REIMBURSEMENT OF COSTS OF ISSUING BONDS, ORIGINATION AND SERVICING  
27 FEES, AND INSURANCE PREMIUMS;

28 (7) MAKE LOANS TO OR DEPOSITS WITH LENDING INSTITUTIONS AND  
29 PURCHASE OR SELL AGRICULTURAL LOANS;

30 (8) ACQUIRE OR CONTRACT TO ACQUIRE FROM ANY PERSON, BY GRANT,  
31 PURCHASE, OR OTHERWISE, MOVABLE OR IMMOVABLE PROPERTY OR ANY INTEREST  
32 IN PROPERTY;

33 (9) OWN, HOLD, CLEAR, IMPROVE, LEASE, CONSTRUCT, OR  
34 REHABILITATE, AND SELL, INVEST, ASSIGN, EXCHANGE, TRANSFER, CONVEY, LEASE,  
35 MORTGAGE, OR OTHERWISE DISPOSE OF OR ENCUMBER PROPERTY, SUBJECT TO THE  
36 RIGHTS OF HOLDERS OF THE BONDS OF THE CORPORATION, AT PUBLIC OR PRIVATE  
37 SALE, WITH OR WITHOUT PUBLIC BIDDING;

38 (10) BORROW MONEY, ISSUE BONDS, AND PROVIDE FOR THE RIGHTS OF  
39 THE LENDERS OR HOLDER THEREOF AND PURCHASE, DISCOUNT, SELL, NEGOTIATE  
40 AND GUARANTEE, INSURE, CO-INSURE AND REINSURE NOTES, DRAFTS, CHECKS,  
41 BILLS OF EXCHANGE, ACCEPTANCES, BANKERS' ACCEPTANCES, CABLE TRANSFERS,  
42 LETTERS OF CREDIT, AND OTHER EVIDENCE OF INDEBTEDNESS;

1           (11)    SUBJECT TO THE RIGHTS OF HOLDERS OF THE BONDS OF THE  
2 CORPORATION, CONSENT TO ANY MODIFICATION WITH RESPECT TO THE RATE OF  
3 INTEREST, TIME, PAYMENT OF ANY INSTALLMENT OF PRINCIPAL OR INTEREST,  
4 SECURITY, OR ANY OTHER TERM OR CONDITION OF ANY LOAN, CONTRACT,  
5 MORTGAGE, MORTGAGE LOAN, OR COMMITMENT OR AGREEMENT OF ANY KIND TO  
6 WHICH THE CORPORATION IS A PARTY OR BENEFICIARY; AND

7           (12)    ISSUE REVENUE BONDS UNDER § 13-610 OF THIS SUBTITLE.

8 13-609.

9       (A)    (1)    THE CORPORATION MAY PURCHASE OR CONTRACT TO PURCHASE  
10 AND SELL OR CONTRACT TO SELL AGRICULTURAL LOANS MADE BY LENDING  
11 INSTITUTIONS, AT THE PRICES AND ON THE TERMS AND CONDITIONS THAT IT  
12 DETERMINES.

13           (2)    A LENDING INSTITUTION MAY PURCHASE AND SELL AGRICULTURAL  
14 LOANS TO THE CORPORATION IN ACCORDANCE WITH THE PROVISIONS OF THIS  
15 SECTION.

16       (B)    (1)    THE CORPORATION MAY MAKE, OR CONTRACT TO MAKE, LOANS TO  
17 AND DEPOSITS WITH LENDING INSTITUTIONS AT INTEREST RATES, TERMS, AND  
18 CONDITIONS THAT IT DETERMINES.

19           (2)    A LENDING INSTITUTION MAY BORROW FUNDS AND ACCEPT  
20 DEPOSITS FROM THE CORPORATION IN ACCORDANCE WITH THIS SUBTITLE AND THE  
21 BYLAWS OF THE CORPORATION.

22           (3)    THE CORPORATION SHALL REQUIRE THAT ALL PROCEEDS OF ITS  
23 LOANS TO OR DEPOSITS WITH LENDING INSTITUTIONS, OR AN EQUIVALENT  
24 AMOUNT, SHALL BE USED BY THE LENDING INSTITUTIONS TO MAKE AGRICULTURAL  
25 LOANS, SUBJECT TO TERMS AND CONDITIONS THAT THE CORPORATION MAY  
26 PRESCRIBE.

27       (C)    THE CORPORATION MAY INSURE AND REINSURE AGRICULTURAL LOANS  
28 MADE BY LENDING INSTITUTIONS, SUBJECT TO THE TERMS, CONDITIONS,  
29 LIMITATIONS, COLLATERAL AND SECURITY PROVISIONS, AND RESERVE  
30 REQUIREMENTS DETERMINED BY THE CORPORATION IN ACCORDANCE WITH THE  
31 BYLAWS OF THE CORPORATION.

32       (D)    UNLESS OTHERWISE DETERMINED BY THE CORPORATION,  
33 AGRICULTURAL LOANS SHALL BE INSURED TO THE AMOUNT OF 100% OF THE UNPAID  
34 PRINCIPAL AND INTEREST ON EACH LOAN.

35       (E)    AN INSURED AGRICULTURAL LOAN IS IN DEFAULT WHEN THE HOLDER OF  
36 THE LOAN APPLIES TO THE CORPORATION FOR PAYMENT OF INSURANCE ON THE  
37 LOAN STATING THAT THE LOAN IS IN DEFAULT IN ACCORDANCE WITH THE TERMS  
38 OF ANY AGREEMENT WITH RESPECT TO THE INSURANCE EXECUTED IN  
39 ACCORDANCE WITH THIS SECTION.

1 (F) THE CORPORATION MAY ENTER INTO AGREEMENTS WITH ANY PERSON,  
2 LENDING INSTITUTION, OR HOLDER OF AN INSURED AGRICULTURAL LOAN ON  
3 TERMS THAT MAY BE AGREED ON BETWEEN THE CORPORATION AND THE PERSON,  
4 LENDING INSTITUTION, OR HOLDER, TO:

5 (1) PROVIDE FOR THE ADMINISTRATION, APPLICATIONS, AND  
6 REPAYMENT OF THE LOAN; AND

7 (2) ESTABLISH THE CONDITIONS FOR PAYMENT OF INSURANCE BY THE  
8 CORPORATION, AND THE SERVICING, SUIT ON, OR FORECLOSURE OF THE LOAN.

9 (G) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE  
10 AGGREGATE VALUE OF ALL AGRICULTURAL LOANS INSURED BY THE CORPORATION  
11 AND OUTSTANDING AT ANY ONE TIME MAY NOT EXCEED 20 TIMES THE TOTAL VALUE  
12 OF FUNDS, INVESTMENTS, PROPERTIES, AND OTHER ASSETS OF THE CORPORATION.

13 (2) THE AGGREGATE VALUE OF AGRICULTURAL LOANS INSURED AND  
14 OUTSTANDING MAY BE FURTHER EXPANDED BY USE OF FEDERAL, STATE, OR  
15 PRIVATE LOAN INSURANCE, REINSURANCE, OR GUARANTEES OF WHICH THE  
16 CORPORATION IS OR SHALL BECOME THE BENEFICIARY.

17 13-610.

18 (A) THE CORPORATION MAY PROVIDE BY RESOLUTION FOR THE ISSUANCE AT  
19 ONE TIME, OR IN SERIES FROM TIME TO TIME, OF REVENUE BONDS OF THE  
20 CORPORATION TO FINANCE OR REFINANCE ALL OR A PART OF THE COSTS OF A  
21 PROJECT, AND FOR OTHER PURPOSES OF THE CORPORATION STATED IN THIS  
22 SUBTITLE.

23 (B) (1) THE BONDS SHALL BE DATED, SHALL BEAR INTEREST AT A RATE OR  
24 RATES, AND SHALL MATURE AT A TIME OR TIMES NOT EXCEEDING 40 YEARS FROM  
25 THE DATE OR DATES OF THEIR RESPECTIVE ISSUES, AS THE CORPORATION MAY  
26 DETERMINE, AND MAY BE SOLD AT THE PRICE OR PRICES AND UNDER THE TERMS  
27 AND CONDITIONS FIXED BY THE CORPORATION BEFORE ISSUING THE BONDS.

28 (2) THE PROCEEDS OF ANY BONDS MAY BE PLACED IN ESCROW  
29 PENDING APPLICATION OF THE PROCEEDS TO THE PURPOSES FOR WHICH THE  
30 BONDS ARE ISSUED.

31 (C) (1) (I) THE BONDS MAY NOT BE DEEMED TO CONSTITUTE A DEBT,  
32 LIABILITY, OR A PLEDGE OF THE FULL FAITH AND CREDIT OF THE STATE OR OF ANY  
33 POLITICAL SUBDIVISION OF THE STATE OTHER THAN THE CORPORATION.

34 (II) THE BONDS SHALL BE PAYABLE SOLELY FROM THE FUNDS  
35 PROVIDED IN THIS SECTION.

36 (2) ALL BONDS OF THE CORPORATION SHALL CONTAIN ON THEIR FACE  
37 A STATEMENT TO THE EFFECT THAT:

1 (I) NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION OF THE  
2 STATE OTHER THAN THE CORPORATION SHALL BE OBLIGATED TO PAY THE BOND OR  
3 THE INTEREST ON THE BOND EXCEPT FROM REVENUES PLEDGED TO THE BOND;  
4 AND

5 (II) NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING  
6 POWER OF THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE IS PLEDGED  
7 TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE BONDS.

8 (3) (I) THE ISSUANCE OF A BOND UNDER THIS SUBTITLE IS NOT  
9 DIRECTLY OR INDIRECTLY OR CONTINGENTLY AN OBLIGATION, MORAL OR OTHER,  
10 OF THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE TO LEVY OR PLEDGE  
11 ANY FORM OF TAXATION FOR THE BOND OR TO MAKE ANY APPROPRIATION FOR  
12 PAYMENT OF THE BOND.

13 (II) NOTHING IN THIS SECTION MAY PREVENT THE CORPORATION  
14 FROM PLEDGING THE FULL FAITH AND CREDIT OF THE CORPORATION TO THE  
15 PAYMENT OF A BOND AUTHORIZED UNDER THIS SUBTITLE.

16 (III) THIS SECTION DOES NOT LIMIT THE ABILITY OF THE STATE OR  
17 A SUBDIVISION OF THE STATE TO SET, IMPOSE, OR COLLECT AN ASSESSMENT, RATE,  
18 FEE, OR CHARGE TO PAY TO THE CORPORATION THE COST OF A PROJECT, INCLUDING  
19 THE PRINCIPAL OF AND INTEREST ON A BOND, UNDER AN AGREEMENT BETWEEN  
20 THE CORPORATION AND THE STATE OR POLITICAL SUBDIVISION.

21 (D) THE CORPORATION SHALL DETERMINE:

22 (1) THE FORM OF THE BONDS;

23 (2) THE MANNER OF EXECUTING THE BONDS;

24 (3) THE DENOMINATION OR DENOMINATIONS OF THE BONDS; AND

25 (4) THE PLACE OR PLACES OF PAYMENT OF PRINCIPAL AND INTEREST,  
26 WHICH MAY BE A BANK OR TRUST COMPANY IN OR OUTSIDE THE STATE.

27 (E) (1) THE BONDS SHALL BE EXECUTED IN THE MANNER DETERMINED BY  
28 THE CORPORATION.

29 (2) THE BONDS MAY BE EXECUTED BY FACSIMILE SIGNATURE.

30 (3) IF ANY OFFICER WHOSE SIGNATURE APPEARS ON A BOND CEASES  
31 TO HOLD THAT OFFICE BEFORE THE BONDS ARE DELIVERED, THE SIGNATURE OF  
32 THE OFFICER REMAINS VALID AND SUFFICIENT FOR ALL PURPOSES, AS IF THE  
33 OFFICER HAD REMAINED IN OFFICE UNTIL DELIVERY.

34 (F) (1) ALL BONDS ISSUED UNDER THIS SECTION ARE NEGOTIABLE  
35 INSTRUMENTS UNDER THE LAWS OF THE STATE.

36 (2) PROVISION MAY BE MADE FOR THE REGISTRATION OF BONDS.

1 (G) (1) THE BONDS SHALL BE SOLD BY THE CORPORATION, AT PUBLIC OR  
2 PRIVATE SALE, IN A MANNER AND FOR A PRICE AS THE CORPORATION MAY  
3 DETERMINE.

4 (2) BONDS AUTHORIZED UNDER THIS SECTION ARE EXEMPT FROM §§  
5 8-206 AND 8-208 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

6 (H) (1) (I) THE CORPORATION MAY PROVIDE FOR THE ISSUANCE OF ITS  
7 BONDS TO REFUNDING ANY OUTSTANDING BONDS, INCLUDING THE PAYMENT OF  
8 ANY REDEMPTION PREMIUM AND ANY INTEREST ACCRUED OR ACCRUING TO A  
9 LATER DATE OF REDEMPTION, PURCHASE, OR MATURITY OF THE BONDS, AND, IF THE  
10 CORPORATION DETERMINES IT ADVISABLE, FOR THE ADDITIONAL PURPOSE OF  
11 PAYING ALL OR ANY PART OF THE COST OF A PROJECT.

12 (II) REFUNDING BONDS MAY BE ISSUED BY THE CORPORATION FOR  
13 ANY CORPORATE PURPOSE, INCLUDING THE PUBLIC PURPOSES OF REALIZING  
14 SAVINGS IN THE EFFECTIVE COSTS OF DEBT SERVICE, DIRECTLY OR THROUGH A  
15 DEBT RESTRUCTURING, OR ALLEVIATING AN IMPENDING OR ACTUAL DEFAULT, OR  
16 RELIEVING THE CORPORATION OF CONTRACTUAL AGREEMENTS WHICH, IN THE  
17 OPINION OF THE CORPORATION, HAVE BECOME UNREASONABLY ONEROUS,  
18 IMPRACTICABLE, OR IMPOSSIBLE TO PERFORM.

19 (III) REFUNDING BONDS IN ONE OR MORE SERIES MAY BE ISSUED  
20 IN AN AMOUNT IN EXCESS OF THAT OF THE BONDS TO BE REFUNDED.

21 (IV) REFUNDING BONDS MAY BE PAYABLE FROM:

- 22 1. ESCROWED BOND PROCEEDS;
- 23 2. INTEREST, INCOME, AND PROFITS, IF ANY, ON  
24 INVESTMENTS; AND
- 25 3. ANY OTHER SOURCE.

26 (V) THESE SOURCES MAY BE IN ADDITION TO OTHER LAWFUL USES  
27 AND SHALL CONSTITUTE REVENUES OF A PROJECT UNDER THIS SUBTITLE.

28 (2) THE PROCEEDS OF BONDS ISSUED FOR THE PURPOSE OF  
29 REFUNDING OUTSTANDING BONDS MAY, IN THE DISCRETION OF THE CORPORATION,  
30 BE APPLIED TO THE PURCHASE OR RETIREMENT AT MATURITY OR REDEMPTION OF  
31 THE OUTSTANDING BONDS ON ANY SUBSEQUENT REDEMPTION DATE, AND MAY,  
32 PENDING THAT APPLICATION, BE PLACED IN ESCROW TO BE APPLIED TO THE  
33 PURCHASE OR RETIREMENT AT MATURITY OR REDEMPTION ON A DATE  
34 DETERMINED BY THE CORPORATION.

35 (3) (I) ANY ESCROWED BOND PROCEEDS, PENDING APPLICATION,  
36 MAY BE INVESTED AND REINVESTED IN INVESTMENTS AND OTHER OBLIGATIONS  
37 MATURING AT A TIME OR TIMES APPROPRIATE TO ASSURE THE PROMPT PAYMENT,  
38 AS TO PRINCIPAL, INTEREST, AND REDEMPTION PREMIUM, IF ANY, OF THE  
39 OUTSTANDING BONDS TO BE REFUNDED.

1 (II) THE INVESTMENT OF THE BOND PROCEEDS SHALL BE:

2 1. DETERMINED BY THE CORPORATION; OR

3 2. IF THE PROCEEDS OF THE BONDS ARE BEING LOANED BY  
4 THE CORPORATION TO A PERSON UNDER SUBSECTION (K) OF THIS SECTION,  
5 DETERMINED BY THE PERSON.

6 (III) THE INTEREST, INCOME, AND PROFITS, IF ANY, EARNED OR  
7 REALIZED ON THE INVESTMENTS OR OTHER OBLIGATIONS MAY ALSO BE APPLIED TO  
8 THE PAYMENT OF THE OUTSTANDING BONDS TO BE REFUNDED.

9 (IV) AFTER THE TERMS OF THE ESCROW HAVE BEEN FULLY  
10 SATISFIED AND CARRIED OUT, ANY BALANCE OF THE PROCEEDS AND INTEREST,  
11 INCOME, AND PROFITS, IF ANY, EARNED OR REALIZED ON THE INVESTMENTS OR  
12 OTHER OBLIGATIONS MAY BE RETURNED TO THE CORPORATION OR THE PERSON  
13 BEING LOANED THE PROCEEDS OF THE BONDS FOR USE IN ANY LAWFUL MANNER.

14 (I) (1) THE PORTION OF THE PROCEEDS OF ANY BONDS ISSUED FOR THE  
15 PURPOSE OF PAYING ALL OR ANY PART OF THE COST OF A PROJECT MAY BE  
16 INVESTED AND REINVESTED IN INVESTMENTS AND ANY OTHER OBLIGATIONS  
17 MATURING NOT LATER THAN THE TIME OR TIMES WHEN THE PROCEEDS WILL BE  
18 NEEDED FOR THE PURPOSE OF PAYING ALL OR ANY PART OF THE COST OF THE  
19 PROJECT.

20 (2) THE INVESTMENT OF BOND PROCEEDS SHALL BE DETERMINED:

21 (I) BY THE CORPORATION; OR

22 (II) IF THE CORPORATION IS LOANING THE PROCEEDS TO A  
23 PERSON UNDER SUBSECTION (K) OF THIS SECTION, BY THE PERSON.

24 (3) THE INTEREST, INCOME, AND PROFITS, IF ANY, EARNED OR  
25 REALIZED ON THE INVESTMENTS OR OTHER OBLIGATIONS MAY BE APPLIED TO THE  
26 PAYMENT OF ALL OR ANY PART OF THE COST OR MAY BE USED BY THE  
27 CORPORATION OR THE PERSON BEING LOANED THE PROCEEDS OF THE BONDS IN  
28 ANY LAWFUL MANNER.

29 (J) (1) THE CORPORATION MAY PLEDGE OR ASSIGN ALL OR ANY PORTION  
30 OF ITS REVENUES, ITS RIGHTS TO RECEIVE THEM, OR MONEYS AND SECURITIES IN  
31 THE FUNDS AND ACCOUNTS ESTABLISHED TO SECURE ITS BONDS AND ANY LIEN OR  
32 SECURITY INTEREST GRANTED OR ASSIGNMENT MADE BY THE CORPORATION.

33 (2) ANY PLEDGE OR ASSIGNMENT SHALL BE:

34 (I) VALID AND BINDING AGAINST ANY PERSON HAVING A CLAIM OF  
35 ANY KIND AGAINST THE CORPORATION, IN CONTRACT, TORT, OR OTHERWISE,  
36 REGARDLESS OF WHETHER THE PERSON HAS NOTICE; AND

37 (II) PRIOR TO THE CLAIM.

1           (3)     NO RESOLUTION, TRUST INDENTURE, ASSIGNMENT, FINANCING  
2 AGREEMENT, OR OTHER INSTRUMENT CREATING A LIEN ON, SECURITY INTEREST IN,  
3 OR ASSIGNMENT OF ANY REVENUES, ITS RIGHTS TO RECEIVE REVENUES OR MONEYS  
4 AND SECURITIES IN THE FUNDS AND ACCOUNTS PLEDGED TO BONDS OF THE  
5 CORPORATION NEED BE FILED OR RECORDED EXCEPT IN THE RECORDS OF THE  
6 CORPORATION.

7     (K)     (1)     THE CORPORATION MAY:

8           (I)     LEND OR OTHERWISE MAKE AVAILABLE THE PROCEEDS OF ITS  
9 BONDS TO ANY PERSON IN ORDER TO FINANCE OR REFINANCE THE COSTS OF ANY  
10 PROJECT; AND

11          (II)    ENTER INTO FINANCING AGREEMENTS, MORTGAGES, AND  
12 OTHER INSTRUMENTS THAT THE CORPORATION DETERMINES TO BE NECESSARY OR  
13 DESIRABLE TO EVIDENCE OR SECURE THE LOAN.

14          (2)     IF ANY PROJECT IS LEASED TO ANY PERSON, THE LEASE MAY  
15 PROVIDE THAT THE LESSEE OR ANOTHER PERSON MAY OR SHALL PURCHASE OR  
16 OTHERWISE ACQUIRE THE PROJECT FOR CONSIDERATION, WHICH MAY BE NOMINAL,  
17 AS THE CORPORATION MAY ESTABLISH:

18          (I)     ON THE PAYMENT OF THE BONDS THAT FINANCED OR  
19 REFINANCED THE COST OF THE PROJECT AND INTEREST ON THE BONDS; OR

20          (II)    ON PROVISION FOR PAYMENT THAT IS SATISFACTORY TO THE  
21 CORPORATION.

22     (L)     (1)     (I)     AT THE DISCRETION OF THE CORPORATION, THE BONDS MAY  
23 BE SECURED BY A TRUST INDENTURE BY AND BETWEEN THE CORPORATION AND  
24 CORPORATE TRUSTEE, WHICH MAY BE ANY TRUST COMPANY OR BANK THAT HAS  
25 THE POWERS OF A TRUST COMPANY IN OR OUTSIDE THE STATE.

26          (II)    EITHER THE RESOLUTION PROVIDING FOR THE ISSUANCE OF  
27 BONDS OR THE TRUST INDENTURE MAY CONTAIN PROVISIONS FOR PROTECTING  
28 AND ENFORCING THE RIGHTS AND REMEDIES OF THE BONDHOLDERS, INCLUDING  
29 COVENANTS STATING THE DUTIES OF THE CORPORATION IN RELATION TO THE  
30 CUSTODY, SAFEGUARDING, AND APPLICATION OF ALL MONEYS.

31          (III)   A CORPORATION OR TRUST COMPANY INCORPORATED UNDER  
32 THE LAWS OF THE STATE MAY:

33                           1.     ACT AS DEPOSITORY OF THE PROCEEDS OF THE BONDS OR  
34 REVENUES; AND

35                           2.     FURNISH ANY INDEMNITY BONDS OR PLEDGE ANY  
36 SECURITIES THAT THE CORPORATION REQUIRES.

1           (2)    (I)    THE RESOLUTION OR TRUST INDENTURE MAY SET FORTH THE  
2 RIGHTS AND REMEDIES OF THE BONDHOLDERS AND OF ANY TRUSTEE, AND MAY  
3 RESTRICT THE INDIVIDUAL RIGHT OF ACTION OF BONDHOLDERS.

4                   (II)   THE CORPORATION MAY PROVIDE BY RESOLUTION OR BY THE  
5 TRUST INDENTURE FOR:

6                           1.    THE PAYMENT OF THE PROCEEDS OF THE SALE OF THE  
7 BONDS AND THE REVENUES OF THE CORPORATION TO AN OFFICER, BOARD, OR  
8 DEPOSITORY THAT THE CORPORATION DETERMINES FOR THEIR CUSTODY; AND

9                           2.    THE METHOD OF DISBURSEMENT, WITH SAFEGUARDS  
10 AND RESTRICTIONS THAT THE CORPORATION DETERMINES.

11                   (III)   ALL EXPENSES INCURRED IN CARRYING OUT ANY TRUST  
12 INDENTURE MAY BE TREATED AS A PART OF THE COST OF OPERATION OF THE  
13 CORPORATION.

14 13-611.

15    (A)    THE STATE TREASURER MAY ADVANCE TO THE CORPORATION AN  
16 AMOUNT NOT EXCEEDING \$250,000 FOR THE INITIAL EXPENSES OF THE  
17 CORPORATION.

18    (B)    THE CORPORATION SHALL REPAY THE ADVANCE OUT OF THE FIRST  
19 MONEYS AVAILABLE TO THE CORPORATION FROM ITS REVENUES.

20    (C)    THE REPAYMENT SHALL BE MADE AT A RATE OF INTEREST THAT IS  
21 CONSISTENT WITH SIMILAR STATE INVESTMENTS.

22 13-612.

23    THE BOOKS AND RECORDS OF THE CORPORATION ARE SUBJECT TO AUDIT:

24           (1)    BY THE STATE AT ITS DISCRETION; AND

25           (2)    EACH YEAR BY AN INDEPENDENT AUDITOR APPROVED BY THE  
26 OFFICE OF LEGISLATIVE AUDITS.

27 13-613.

28    (A)    WITHIN 90 DAYS AFTER THE START OF EACH FISCAL YEAR, THE  
29 CORPORATION SHALL REPORT ON ITS STATUS TO THE GOVERNOR, THE MARYLAND  
30 AGRICULTURAL COMMISSION, THE MARYLAND ECONOMIC DEVELOPMENT  
31 COMMISSION, AND SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO  
32 THE GENERAL ASSEMBLY.

33    (B)    THE REPORT SHALL STATE THE COMPLETE OPERATING AND FINANCIAL  
34 STATEMENT COVERING THE CORPORATION'S OPERATIONS AND SUMMARIZE THE  
35 CORPORATION'S ACTIVITIES DURING THE PRECEDING FISCAL YEAR.

1 13-614.

2 (A) THE CORPORATION IS EXEMPT FROM:

3 (1) STATE AND LOCAL TAXES;

4 (2) TITLE 10 AND DIVISION II OF THE STATE FINANCE AND  
5 PROCUREMENT ARTICLE;

6 (3) LAWS GOVERNING THE STATE PERSONNEL MANAGEMENT SYSTEM  
7 UNDER DIVISION I OF THE STATE PERSONNEL AND PENSIONS ARTICLE;

8 (4) TITLE 10, SUBTITLE 5 OF THE STATE GOVERNMENT ARTICLE; AND

9 (5) ARTICLE 31, §§ 9, 10, AND 11 OF THE CODE.

10 (B) THE CORPORATION, ITS BOARD OF DIRECTORS, AND EMPLOYEES ARE  
11 SUBJECT TO:

12 (1) THE PUBLIC ETHICS LAW, TITLE 15 OF THE STATE GOVERNMENT  
13 ARTICLE; AND

14 (2) THE PUBLIC INFORMATION ACT, TITLE 10, SUBTITLE 6 OF THE STATE  
15 GOVERNMENT ARTICLE.

16 (C) (1) THE CORPORATION SHALL RECEIVE ANNUAL FUNDING THROUGH  
17 AN APPROPRIATION IN THE STATE BUDGET.

18 (2) THE CORPORATION MAY ALSO RECEIVE FUNDS FOR PROJECTS  
19 INCLUDED IN THE BUDGETS OF STATE UNITS.

20 (3) ALL UNEXPENDED AND UNENCUMBERED FUNDS APPROPRIATED TO  
21 THE CORPORATION SHALL REMAIN WITH THE CORPORATION FOR FUTURE USES.

22 (4) THE CORPORATION SHALL CONDUCT ITS FINANCIAL AFFAIRS IN  
23 SUCH A MANNER THAT, BY THE YEAR 2020, IT SHALL BE SELF-SUFFICIENT AND IN NO  
24 FURTHER NEED OF GENERAL OPERATING SUPPORT BY THE STATE.

25 (D) THE DEPARTMENT OF AGRICULTURE, THE DEPARTMENT OF NATURAL  
26 RESOURCES, THE DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT, THE  
27 MARYLAND FOOD CENTER AUTHORITY, THE MARYLAND ECONOMIC DEVELOPMENT  
28 CORPORATION, THE MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION, THE  
29 RURAL MARYLAND COUNCIL, AND MARYLAND COOPERATIVE EXTENSION SERVICE  
30 MAY PROVIDE TECHNICAL AND OTHER SUPPORT TO THE CORPORATION.

31 (E) EACH UNIT IN THE EXECUTIVE BRANCH OF STATE GOVERNMENT AND  
32 EACH INSTITUTION OF HIGHER EDUCATION IN THE STATE MAY WORK WITH THE  
33 CORPORATION ON MATTERS RELATING TO THE UNIT.

1 (F) EACH COUNTY, MUNICIPAL CORPORATION, AND REGIONAL PLANNING  
2 AND DEVELOPMENT COUNCIL IN THE STATE MAY WORK WITH THE CORPORATION  
3 ON MATTERS RELATING TO THE POLITICAL SUBDIVISION OR ENTITY.

4 13-615.

5 (A) ALL DEBTS, CLAIMS, OBLIGATIONS, AND LIABILITIES OF THE  
6 CORPORATION, WHENEVER INCURRED, SHALL BE THE DEBTS, CLAIMS,  
7 OBLIGATIONS, AND LIABILITIES OF THE CORPORATION ONLY AND NOT OF THE  
8 STATE, UNITS OF STATE GOVERNMENT, OTHER STATE INSTRUMENTALITIES, OR  
9 STATE OFFICERS OR EMPLOYEES.

10 (B) THE DEBTS, CLAIMS, OBLIGATIONS, AND LIABILITIES OF THE  
11 CORPORATION MAY NOT BE CONSIDERED A DEBT OF THE STATE OR A PLEDGE OF ITS  
12 CREDIT.

13 13-616.

14 THIS SUBTITLE SHALL BE LIBERALLY CONSTRUED TO CARRY OUT ITS  
15 PURPOSES.

16

#### Chapter 304 of the Acts of 1999

17 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
18 July 1, 1999. It shall remain effective for a period of [5] 11 years and, at the end of  
19 June 30, [2004] 2010, with no further action required by the General Assembly, this  
20 Act shall be abrogated and of no further force and effect.

21 SECTION 3. AND BE IT FURTHER ENACTED, That the initial terms of the  
22 members of the board of directors of the Maryland Agricultural and Resource-Based  
23 Industry Development Corporation appointed under Article 41, § 13-604(b)(2) of the  
24 Code, as enacted by Section 2 of this Act, expire as follows:

25 (1) 3 members in 2008;

26 (2) 3 members in 2007;

27 (3) 3 members in 2006;

28 (4) 2 members in 2005.

29 SECTION 4. AND BE IT FURTHER ENACTED, That if any provision of this  
30 Act or the application thereof to any person or circumstance is held invalid for any  
31 reason in a court of competent jurisdiction, the invalidity does not affect other  
32 provisions or any other application of this Act which can be given effect without the  
33 invalid provision or application, and for this purpose the provisions of this Act are  
34 declared severable.

35 SECTION 5. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall  
36 take effect July 1, 2004. It shall remain effective for a period of 16 years and, at the

1 end of June 30, 2020, with no further action required by the General Assembly,  
2 Section 1 of this Act shall be abrogated and of no further force and effect.

3 SECTION 6. AND BE IT FURTHER ENACTED, That, except as provided in  
4 Section 5 of this Act, this Act shall take effect July 1, 2004.